

Medicare Part D (Drug Benefit)

Medicare Part D is a very confusing and complex piece of legislation. Even if you are not a beneficiary, you probably know someone who is struggling with the complexities of the Part D plan selection process. It is vital that all of us reach out to family members and other members of our communities to help them with this important medical decision.

I have tried to gather some basic information to help you consider these complicated choices, including an estimated [benefit calculator](#) . You can also learn more about available plans through the [Drug Plan Finder](#) . I hope you find this information useful. I have also listed the [contact information](#) for several organizations that you can contact with any questions or concerns you may have about your coverage at the end of this letter and sources for information in [other languages](#) .

The New Medicare Prescription Drug Plan

Beginning on January 1, 2006, Medicare began providing optional prescription drug coverage (also known as Medicare Part D) for all Medicare beneficiaries. More information on the plan can be found [here](#) and [here](#) .

Low Income Beneficiaries

Those beneficiaries who are eligible for both Medicare and Medi-Cal, known as “dual eligibles”, were automatically assigned to private prescription drug plans and their drug costs will now be paid for by Medicare rather than Medi-Cal. With this switch, beneficiaries may have new co-payments and new limits on the drugs that are covered. Widespread problems in Medicare Part D enrollment for dual eligibles have been reported, and California along with many other states have stepped in to provide needed medicines. For more information contact Social Security at 1-800-772-1213 (or visit them [online](#)) or call 1-800-MEDICARE.

Options

Nineteen insurance companies are offering prescription drug plans in California. Each of these plans must meet certain standards defined by Medicare. Some plans offer more extensive coverage than the basic requirements of the Medicare Drug Benefit (Part D), including some coverage during the “benefit gap” (which is described below). You should compare the plans to

see which plan best fits your needs, and particularly which plans cover the drugs you currently use. If you join the Medicare Drug Benefit (Part D), you can change from one company's plan to another, without penalty, during an annual enrollment period that begins and ends in November and December of each year. There are special enrollment periods (SEP) available to beneficiaries under certain specific situations. More about SEP's can be found at www.medicare.gov or the [National Committee to Preserve Social Security and Medicare](#).

Premium

There is a monthly premium for those who enroll in the new Medicare prescription drug program. This premium will vary depending on which company and plan you select. Information about available plans is available on the Medicare [website](#). The drug benefit premium is in addition to the premium that subscribers pay for Medicare Part B services (doctor visits and outpatient services).

Enrollment Period and "Late" Penalties

The initial enrollment period for the Medicare Part D program ended on May 15, 2006. For most individuals who were eligible on or before May 15 th and who did not enroll in Part D there will be a penalty. However, those who have "creditable" prescription drug coverage through a private plan in place prior to attaining the age of eligibility for Part D, may enroll in Part D later without penalty (see below).

Late enrollees will pay a 1% per month penalty for the period for which they were not covered. For example, if an individual chooses to enroll 36 months after the May 15, 2006 deadline, their penalty will be 36% of their Part D premium. Assuming a \$35 monthly premium, this means an additional \$12.60 per month in penalty charges every month for the rest of the individual's life.

Participants who already have prescription drug coverage through their employers, unions, or managed care plans who choose not to enroll in a Medicare Part D plan can avoid penalties if their existing prescription drug plan is "creditable." A "creditable" plan is one certified as meeting the minimum standards of Medicare Part D. If you currently have a "creditable" plan and your employer, union, or managed care provider stops providing "creditable" drug coverage, you may sign up for the Medicare Part D without penalty during the 63-day period beginning on the first day you do not have "creditable" prescription drug coverage. Employers, unions or managed care plans are required to send you a letter notifying you if they provide you with "creditable" drug coverage as you approach the age of eligibility. If you do not receive such a letter, contact

your current employer or healthcare provider in order to determine the status of your healthcare coverage. If you receive a letter, retain the letter for your records.

Medicare Advantage Beneficiaries

Beneficiaries who are a part of the Medicare Advantage program are required to enroll in their managed care plan's drug benefit. Enrolling in an outside Part D program can lead to the termination of your Medicare Advantage plan by the managed care organization.

Step-by-Step Workbook

The National Mental Health Association has created a simple and easy to use guide for enrolling in this complex new benefit. This [workbook](#) can help ([Spanish](#) version).

Information in Other Languages

Overview and Enrollment:

- Quick Facts about Medicare's New Coverage for Prescription Drugs. CMS-11102. [English](#), [Chinese](#), [Korean](#), [Russian](#), [Tagalog](#) and [Vietnamese](#) PDF Version.

- Comparing Medicare Prescription Drug Coverage. CMS-11110. [English](#), [Chinese](#), [Korean](#), [Russian](#), [Tagalog](#) and [Vietnamese](#)

PDF Version

- Medicare Prescription Drug Coverage: How to Join. CMS-11111. [English](#) , [Chinese](#) , [Korean](#) , [Russian](#) , [Tagalog](#) and [Vietnamese](#)
PDF Version

- New Medicare Prescription Drug Coverage: A Message for People who Care for Someone with Medicare. CMS-11126. [English](#) , [Chinese](#) , [Korean](#) , [Russian](#) , [Tagalog](#) and [Vietnamese](#)
PDF Version.

- Quick Facts about Medicare's Coverage for Prescription Drugs for People who Have Prescription Coverage from an Employer or Union. CMS-11107. [English](#) and [Spanish](#) .
- Quick Facts about Medicare's New Coverage for Prescription Drugs for people with a Medicare Health Plan with prescription drug coverage. CMS-11135. [English](#) , [Chinese](#) , [Korean](#) , [Russian](#) , [Tagalog](#) and [Vietnamese](#)
PDF Version.

Dual eligibles and individuals with low incomes:

- Quick Facts about Medicare's New Coverage for Prescription Drugs for people with limited income and resources. CMS-11105. [English](#) , [Chinese](#) , [Korean](#) , [Russian](#) , [Tagalog](#) and [Vietnamese](#)
PDF Version.
- Quick Facts about Medicare's New Coverage for Prescription Drugs for people with

Medicare and Medicaid, and Medicaid now pays for their prescription drugs. CMS-11106.

[English](#)

,
[Chinese](#)

,
[Korean](#)

,
[Russian](#)

,
[Tagalog](#)

and

[Vietnamese](#)

PDF Version.

- Quick Facts about Medicare's New Coverage for Prescription Drugs for people who get help from their state pharmacy program to pay for their prescriptions. CMS-11108 [English](#)
[h](#) , [Chi](#)
[nese](#)

,
[Korean](#)

,
[Russian](#)

,
[Tagalog](#)

and

[Vietnamese](#)

PDF Version

Extra help:

- New Medicare Prescription Drug Coverage— Who Can Help Me Apply and Enroll? CMS-11125. [English](#) , [Chinese](#) , [Korean](#) , [Russian](#) , [Tagalog](#) and [Vietnamese](#) PDF Version.

- Quick Facts about Medicare Prescription Drug Coverage and Protecting Your Personal Information. CMS-11147. [English](#) , [Chinese](#) , [Korean](#) , [Russian](#) , [Tagalog](#) and [Vietnamese](#)
[mese](#)
PDF Version

You can also find publications in other languages [here](#) and [here](#) .